



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

December 28, 2006

Mr. Byron N. Ray, Manager
Ray Mining, L.C.
890 East 450 South
Smithfield, Utah 84335

Subject: Request for Surety Document Certificate of Deposit (CD), Utah Pumice and Perlite Inc. (Ray Mining, L.C.), Cudahy Mine, S/027/055, Millard County, Utah

Dear Mr. Ray:

In early December 2006, Ms. Beth Ericksen, Surety Coordinator, provided information to complete a certificate of deposit agreement to Mr. Glade Christensen, Zions Bank, in the amount of \$12,000.00 as reclamation surety. As of today, the Division has not received any information from the bank to complete this process. Please contact the bank and ask that:

- The emailed information of December 1, 2006 to Mr. Glade Christensen, is required in order for the Division to complete the paperwork, please respond and provide the information to the Division;
- An administrative hold letter is issued and the original sent to the Division.

In addition, the appropriate authority documents have been received by the Division to initiate the company name change from Utah Pumice and Perlite, Inc. to Ray Mining LC. However, the document, Notice of Special Meeting of Shareholders, is not signed. In order to proceed with the company name change, a signed copy of this document is required. Please submit it to the Division as soon as possible, attention: Beth Ericksen.

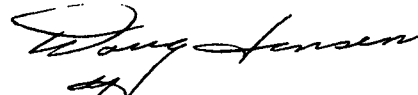
The Division can take no further review action until these important actions are taken. Please ensure these actions gain your prompt attention so this permit is in compliance with state regulatory requirements.

In addition, please work with Mr. Tom Munson, (801) 538-5321, to determine if the paperwork that you submitted is consistent with the terms of the permit and/or if additional information is required.

Page 2
Mr. Byron Ray
S/027/055
December 27, 2006

For Surety questions, please contact Beth Ericksen, (801) 538-5318 or bethericksen@utah.gov and for permit questions, please contact Mr. Tom Munson (801) 538-5321. Thank you in advance to your prompt attention to this important regulatory requirement.

Sincerely,



col Daron Haddock
Permit Supervisor
Minerals Regulatory Program

SMW:BE:pb
cc: Tom Munson, DOGM
Beth Ericksen, DOGM
Mr. Glade Christensen, Zions Bank, (g.christensen@zionsbank.com)
P:\GROUPS\MINERALS\WP\M027-Millard\S0270055-Cudahy\final\suretydeficientS027055.doc